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Hon. Mary Jo Heston
Chapter 7
Hearing Location: Telephonic
Hearing Date: September 1, 2020
Hearing Time: 9:00 a.m.
Response Date: August 25, 2020

Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In re

MOLLY JO KARVINEN,

Debtor(s).

Case No. 20-41550-MJH

MOTION FOR ORDER REQUIRING
DEBTOR TO PERFORM DUTIES OF
DEBTOR UNDER 11 U.S.C. § 521(a)(1)
AND FOR SANCTIONS

Russell D. Garrett, the duly appointed, qualified and acting Trustee of the estate of Molly Jo Karvinen, moves for an Order to be issued against the Debtor as to why she should not be required to perform the duties of Debtor under 11 U.S.C. § 521(a)(1). For this Application, Chapter 7 Trustee relies upon the 341 testimony of the Debtor, the court's records and files and submits the following:

Debtor's voluntary petition under Chapter Chapter 7 of Title 11 was filed on June 20, 2020.

Debtor appeared for her scheduled Section 341 on July 22, 2020.

On Debtor's Statement of Financial Affairs, paragraph 7, the Debtor answered no to the question "Within 1 year before you filed for bankruptcy, did you make a payment on a debt you owed anyone who was and insider?" On paragraph 8, the Debtor answered no to the question "Within 1 year before you filed for bankruptcy, did you make any payments or transfer any property on account of a debt that benefited an insider?" However, during the July 22, 2020,

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521(A)(1) AND FOR SANCTIONS - Page 1

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1 meeting of creditors, the Debtor testified that she was paying her parents \$1,800 for rent for most
2 of the 12 months prior to the bankruptcy, yet the Schedule of Financial Affairs does not disclose
3 any payments made to the parents as either gifts or payments to an insider/creditor.

4 The 341 meeting of creditors was continued to August 12, 2020.

5 On July 22, 2020, the Trustee notified the attorney that the 341 meeting of creditors was
6 continued to August 12, 2020, stating the reason for continuance was there was no disclosure of
7 payments made to insiders over the 12 months prior to the bankruptcy

8 The Trustee asked if the Debtor was going to amend the Statement of Financial Affairs
9 and Debtor's counsel refused.

10 Despite the Trustee's request for information regarding payment information made to
11 insiders over the 12 months prior to the bankruptcy, the Debtor has failed and refused to turnover
12 this information to the Trustee. The Trustee has continued the Debtor's 341 meeting for this
13 information without the information having been turned over and despite the passing of over a
14 week from the 341 meeting, Debtor's counsel has continued to refuse to amend the Statement of
15 Financial Affairs.

16 Pursuant to 11 U.S.C. § 521, Debtor is required to "cooperate with the trustee as
17 necessary to enable the trustee to perform the trustee's duties" and to "surrender to the trustee, all
18 the property of the estate". The facts of this case, as set forth above, indicate an abuse of the
19 bankruptcy system. Debtor has failed and refused to cooperate with Trustee and has failed and
20 refused to disclose the required information relating to the administration of the Estate.

21 Trustee does not have the resources to chase down a Debtor or to "enforce" his duties.
22 "Debtor is in violation of her statutory obligation to cooperate with the Trustee and to turnover
23 property.

24 This Court has the authority pursuant to 11 U.S.C. §105 to issue any order "that is
25 necessary or appropriate to carry out the provisions of this title". The Ninth Circuit Court of
26 Appeals has recognized that bankruptcy courts have the inherent power to sanction vexatious

1 conduct presented before the court. In re *Rainbow Magazine, Inc.*, 77 F.3rd 278 (9th Cir. 1996).

2 The burdens and damages suffered by the Estate should be borne by Debtor.

3 WHEREFORE, Trustee prays for an order requiring the Debtor, Molly Jo Karvinen, and
4 her lawyers, to perform the duties of Debtor pursuant to 11 U.S.C. § 521(a)(1) including
5 amendment of the Statement of Financial Affairs and to provide the Trustee with the information
6 relating to any payments to any insiders and for such other and further relief as this Court deems
7 just and proper. To the extent that Debtor's counsel has refused to amend the Statement of
8 Financial Affairs necessitating this motion, the court should consider sanctions.

9 DATED this 30th day of July, 2020

10 JORDAN RAMIS PC

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12 By: /s/ Russell D. Garrett
13 Russell D. Garrett, WSBA #18657
14 Chapter 7 Trustee
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VIA ECF NOTICE:

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